

Important Notes:

1. Principal US Equity Fund will invest primarily in US equities.
2. The Fund invests in a single country. Compared with a well-diversified fund, its concentration risk is relatively high and hence it might be more volatile than a well-diversified fund.
3. Investment involves risk. There is no assurance on investment returns and your investments may suffer significant loss.
4. The investment decision is yours but you should not invest in this Fund unless the intermediary who sells it to you has advised you that it is suitable for you and explained how it is consistent with your investment objectives.
5. You should not invest solely in reliance on this marketing material alone. You should read the Explanatory Memorandum of Principal Life Style Fund for further details (including investment policy, risk factors, fees and charges, and fund information).

Fund Objective

Principal Life Style Fund – Principal US Equity Fund aims to achieve capital growth over the long term by investing in US equity markets. The Fund seeks to achieve its objective by investing primarily in US equities. The Fund may also hold cash and short-term securities. The risk profile of the Principal US Equity Fund is generally regarded as high.

Fund Commentary

Market Review

The S&P 500 Index decreased 7.71% in May; large-cap stocks underperformed small-cap stocks and value stocks outperformed growth stocks. All sectors posted negative returns with the telecommunications services and consumer staples sectors performing the best despite posting negative returns. The energy, industrials and materials sectors lagged the most.

Fund Performance

The fund underperformed the S&P 500 Index for the month. Stock selection in the health care, materials and consumer staples sectors were the most effective for the month, while stock selection in the information technology, energy and industrials sectors were less effective.

Our investment strategy struggled during the month as investor speculated the worst is behind us. Investors bid up deep value early cyclicals.

Portfolio Strategy & Outlook

We remain committed to our investment philosophy and will continue to invest in securities with improving business fundamentals, rising investor expectations and attractive valuations. Our portfolio construction strategies neutralize market, sector and industry exposures, relative to the index, in order to isolate superior stock selection as the major source of portfolio outperformance.

TOP TEN HOLDINGS

Stock	%
MICROSOFT CORP	3.45%
GENERAL ELECTRIC CO	2.89%
ORACLE CORP	2.43%
WAL-MART STORES INC	2.30%
BANK OF AMERICA CORP	2.22%
AMERICAN EXPRESS CO	2.21%
PROCTER & GAMBLE CO	2.21%
AT&T INC	2.15%
CHEVRON CORP	2.14%
EXXON MOBIL CORP	2.02%

* Investors should be aware that the exposure of the Fund can change significantly on a daily basis.

This flyer is to be read in conjunction with the Explanatory Memorandum. Future performance and the capital value of the Fund are not guaranteed. Past performance figures are not indicative of future performance. The value of units may rise as well as fall. Investors are reminded that in certain circumstances their right to redeem may be suspended. Full details of the risks of investing in the Fund are contained in the Explanatory Memorandum. We recommend investors obtain and read a copy of the Explanatory Memorandum before investing. This material has not been reviewed by the Securities and Futures Commission.
Issuer: Principal Asset Management Company (Asia) Limited

QUICK FUND FACTS

Fund Manager	Principal Asset Management Company (Asia) Limited
Launch Date	2 July 2003
Fund Domicile	Hong Kong
Base Currency	Hong Kong Dollar
Fund Size (million)	HK\$466.3
Risk Profile	High

MINIMUM SUBSCRIPTION

Retail Class

- Initial Subscription (inclusive of initial charges) HK\$10,000 / class
- Each Subsequent Subscription (inclusive of initial charges) HK\$ 5,000 / class
- Regular Savings Plan HK\$ 2,000 per month / class

Investment Class

Please contact us for more information.

FEE STRUCTURE

Retail Class

- Initial Charge Up to 5%
- Management Fee 1.20% p.a.
- Trustee Fee 0.20% p.a.
- Switching Fee 4 free switches / year[#]
- Valuation Fee Up to HK\$1,000 / month

For other charges and expenses, please refer to the Explanatory Memorandum.

Investment Class

Please contact us for more information.

[#] Switching fee of up to 1% of the issue price of the new class of units to be issued may be levied for subsequent switches.

Cumulative Return(%)¹

	1 month	3 months	1 year	3 years	5 years	Since Inception
Fund	-8.93	-3.65	7.43	-40.84	-25.30	-7.16
Index ²	-7.71	-0.59	21.53	-24.11	1.64	25.72

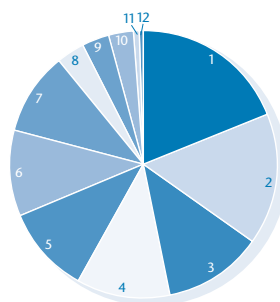
Calendar Year Return(%)¹

	Year-to-date	2009	2008	2007	2006	2005
Fund	-5.38	11.25	-41.59	3.13	11.52	5.19
Index ²	-1.08	26.53	-37.38	5.77	16.15	4.65

¹ The performance information reflects performance of the retail class units. It is denominated in HK dollar and calculated on NAV to NAV basis. The source of the performance is from Lipper and Principal Asset Management Company (Asia) Limited. Outperforming the Standard & Poor's 500 Index is not specifically included in the objective of the Fund and the figures shown in the table are provided as a comparison only. The two methods of calculation of performance may not be identical.

² Standard & Poor's 500 Index

Asset Allocation



1	Information Technology	18.9%
2	Financials	15.9%
3	Health Care	12.0%
4	Consumer Staples	11.3%
5	Industrials	10.6%
6	Energy	10.4%
7	Consumer Discretionary	10.0%
8	Materials	3.4%
9	Utilities	3.3%
10	Telecommunication Services	3.0%
11	Cash	0.7%
12	Index Exchange Traded Fund	0.5%